

# Factors Affecting Compliance to Ethical Standards in Public Procurement in Kenya: A Behavioral Model of Ethical and Unethical Decision Making Perspective.

Victor Bosire Okemwa<sup>1</sup>, Dr. Bonface Matayo Ratemo<sup>2</sup>

<sup>1</sup>Kenya Institute of Supplies Examination Board (KISEB)  
Certified Procurement and Supply Professional of Kenya (CPSP-K)

<sup>2</sup>Dedan Kimathi University of Technology, Kenya

School of Business Management and Economics

Department of Operation and Supplies Management

## Abstract

Compliance to ethical standards remains the biggest impediment in the realization of public procurement primary and auxiliary objectives in developing economies. The study sought to investigate the factors affecting compliance to ethical standards in public procurement in Kenya from a behavioral model of ethical and unethical decision making perspective. Specifically, the study analyzed the effect of professionalism factors, social factors, personality factors, legal framework factors and work environment factors on compliance to ethical standards in public procurement in Kenya. The target population comprised of 40 procurement professionals, auditors, accountants, and project managers of Kenya Airport Authority. The study adopted descriptive research design. The results revealed that professionalism factors, legal framework factors, and work environment factors had a positive and statistical significant influence on compliance to ethical standards in public procurement in Kenya while Personality factors and social factors were found not to have statistical significant influence on compliance to ethical standards in public procurement in Kenya. The study recommends administrative bodies and the judiciary to enforce sanction to people who contravenes public procurement ethical standards to deter noncompliance. In addition, the study recommends regular sensitization through trainings for all Public procurement stakeholders. This study implies that the behavioral model of ethical and unethical decision making is versatile in compliance/noncompliance studies.

**Key words;** Compliance, Ethics, Professionalism factors, Personal factors, Legal framework factors, Work environment factors, Social factor

## Introduction

Compliance has been around as long as people have been doing business. Whenever an employer instructs employees about the law, the employer performs a compliance function. Non-compliance is a distinct concept from compliance just as researchers have shown for such opposites as love and hate and positive/negative affectivity (Dickey *et.al.*, 2007). Whereas compliance is the degree to which an agent adheres to principal's, directives, policies and procedures, non-compliance is the degree to which an agent initiates deviant policies and procedures that are not approved by the principal (Dickey *et.al.*, 2007). Compliance is a problem not only in the third world countries but also evident in the countries in the European Union (Eyaa & Oluka, 2011). Gelderman *et al.*, (2006) further advances reasons for non-compliance as explained by the tendency to avoid red tape involved in the procurement process. However (Sewanyana, 2009) asserts that the type of goods and services procured sometimes influences the degree of compliance with the procurement regulations and the code of ethics put in place.

Ethics are the moral principles or values that guide officials in all aspects of their work. Ethical behavior encompasses the concepts of honesty, integrity, probity, diligence, fairness, trust and respect. Ethical behavior includes avoiding conflicts of interest, and not making improper use of an individual's position

(Palmer & Butt, 2005). Ethical behavior supports openness and accountability in procurement with the result that suppliers have confidence in participating in the government marketplace. It also reduces the cost of managing risks and enhances trust in public administration (Agaba & Shipman, 2009). Ethical behavior is important in public procurement as it involves the expenditure of public money, and is subject to public scrutiny (Andrew, M, 2008).

Public procurement refers to the purchase by governments and state owned enterprises of goods, services and works (OECD, 2009). Public procurement is broadly defined as the purchasing, hiring or obtaining by any contractual means of goods and services by public sector (Odhiambo, W. & Kamau, 2003). It also refers to procurement by procuring entities using public funds where procurement refers to the acquisition by purchase, rental, lease, hire purchase, license, tenancy, franchise or any other contractual means of any type of works, assets, services or goods including livestock or any combination and includes advisory, planning and processing in supply chain system (PPADA 2015). Therefore public procurement entails acquisition of goods, works, and services using public funds and it is the largest market for consumption of goods and services.

### **Public procurement**

Public procurement is regarded increasingly as a strategic profession that plays a central role in preventing mismanagement and minimizing the potential of corruption in the use of public funds. In addition, Public procurement is progressively recognized as an instrument of government policy and a lever for wider economic, social and environmental change (OECD, 2009). However, OECD considers public procurement as the government activity most vulnerable to unethical practices. In this sense, lack of transparency and ethics are considered as the major threats to integrity in public procurement.

Most governments use the system of public procurement to source goods and services required for the running of government. This form of government spending can amount to about 18% to 20% of gross domestic product (GDP) of most countries (OECD, 2018). It is for this reason that it is always advocated that public procurement should be a transparent process that has integrity. This notion is fully supported by Walker et al, who states that public procurement must be guided by principles of transparency, accountability, and achieving value for money for citizens and tax payers. Needless to say, due to the amounts of money involved in public procurement, it is prone to increased unethical practices. As a government function involving significant amounts of contract awards each year, it is considered by societies around the world as an area prone to corruption (OECD, 2015).

Worldwide, public procurement has become an issue of public attention and debate, and has been subjected to reforms, restructuring, rules and regulations. The World Bank conducts numerous research on public procurement of different countries with the intention of providing reforms geared towards ensuring proper utilization of public funds. The World Bank (2010) indicates that many countries are yet to develop procedural frameworks that ensure: public procurement procedures are transparent and promote fair and equal treatment; public resources linked to public procurement are used in accordance with intended purposes; procurement officials' behavior and professionalism are in line with the public purposes of their organization and systems are in place to challenge public procurement decisions, ensure accountability and promote public scrutiny.

Some countries, however, have initiated measures to enhance compliance to ethical standards and undertaken specific efforts to improve integrity in the area of defense procurement, which often requires the use of non-competitive procedures to keep national security interests confidential (World Bank, 2010). Many Africa countries have put forward ethical standards in the form of a code of conduct or ethics for the public service to ensure transparent implementation and administration of public procurement procedures (OECD, 2007). According to Chepkoech & Kibet (2019) Sub Saharan African Countries, developing countries are struggling to adhere to the ethical codes of conduct practices.

Various countries both developed and developing countries have instituted procurement reforms involving laws and regulations. The major obstacle however, has been inadequate regulatory compliance. De Boer and Telgen (2008) confirm that non-compliance problem affects not only the third world countries but also countries in the European Union. This position is further supported by Gelderman et al. (2006) who contend that compliance in public procurement is still a major issue. Hui et al. (2011) while analyzing procurement

issues in Malaysia established that procurement officers were blamed for malpractice and non-compliance with the procurement policies and procedures.

In Kenya public procurement system has undergone significant developments. From being a system with no regulations in the 1960s, and a system regulated by Treasury Circulars in the 1970s, 1980s and 1990s, the introduction of the Public Procurement and Disposal Act (PPDA) of 2005 and the Public Procurement and Disposal Regulations (PPDR) of 2006 and the newly established Public Procurement and Asset Disposal Act (PPADA) of 2015 and Public Procurement and Asset Disposal Regulation (PPADR) of 2020 has introduced new standards for public procurement in Kenya. These laws ensure that the public sector buyers conduct purchasing in a way that satisfies probity and accountability requirements. All these forms are geared towards ensuring there is equity, transparency, cost effectiveness, value for money and accountability in the public system in Kenya in accordance with the Kenya Constitution section 227 (National Council of Law Reporting, 2010).

### **Compliance to ethical standards in public procurement in Kenya**

Compliance to ethical standards in public procurement involves making sure that public procurement regulations and codes of ethics are followed to the letter, (Mwangi, 2017). Past studies reveals that even after enactment of regulations and code of ethics in public procurement there are inefficiencies observed in public funds usage in procurement due to inadequate compliance, (Onchweri & Muturi, 2015). According to Public Procurement and Oversight Authority (PPOA), (2007) non-compliance to ethical standards in public procurement involves non-enforcement of law, lack of transparency and accountability, breakdown or erosion of values and norms, weak management systems, procedures and practices, lack of professional integrity, greed and abuse of discretionary power.

According to OECD, (2009) non-compliance of ethical standards in public procurement can take place at every stage in the contracting process: at the first instance, pre-tendering stage, a corrupt agent can inflate demand or create artificial demand for goods and services. The agent may also distort the allocation of scarce budgetary resources for purchasing these goods or services. The second stage where unethical practice can take place is the tendering stage. Potential forms of unethical practices include tailoring specifications to restrict competition, restricted publicity, and abuse of confidentiality, bid rigging, and rejection of bids on frivolous grounds. The lack of legal precedence gives contracting agencies enormous discretion for determining—and thus manipulating—the rules of the game. The post-tendering stage also offers opportunities for abuse of authority. The post-tender alteration of contract conditions, acceptance of inferior goods or services, and the waiver of penalties are some of the unethical practices usually committed at this stage.

When compliance is mentioned, focus is on the unethical behavior of the procurement officers and other aspects of public procurement. However, not much focus has been placed on explaining noncompliance to ethical standards in public procurement in Kenya despite the fact that each year compliance reports are produced by the Public Procurement Regulatory Authority and the Office of the Auditor General report on non-compliance issues.

According to Geldeman et al. (2006) among factors affecting compliance to ethical standards in public procurement is staffs awareness' level on public procurement rules, regulations and code of ethics put in place. Further, lack of sufficient knowledge, competencies and skills affect the procurement professionals in adhering to ethical standards in public procurement and resulting to procurement professional being involved in embezzlement of public funds. Political interference with the procurement process is a big challenge in ensuring compliance to ethical standards in public procurement. A good number of politicians think that they have the right to intervene in the procurement procedures thereby leading to a capricious procurement decisions. The lack of career development path and low salaries of procurement personnel also militates against compliance with ethical standards in public procurement Conflict of interest is at the Centre of non-compliance to procurement processes which has an adverse effect on service delivery. According to World Bank, (2010) conflict of interest may arise at various stages of the procurement process whenever public officials' decisions can be influenced by their private interests. The evaluation and award of bids is often assessed as one of the most vulnerable phases, due to the high level of technical expertise required and the specific features of evaluation committees.

According to Wanyama (2013) public procurement consumes a considerable part of government resources in procurement of goods, works and services. The public procurement is prone to unethical practices involving public officials unlawfully enriching themselves and /or those close to them by misusing the public procurement trust bestowed on them due to considerable huge amount of money involved in the process (OECD,2015).According to Shu et al.,(2011) a dishonest person in the purchasing department is in a position to demand or to receive personal enrichment or other personal advantages in return for granting a purchasing contract or placing an order, or for preferential treatment to the supplier. He continues to state that there are subtle areas where the purchaser may act unethically either consciously or subconsciously: the payment of fictive orders and invoices, double payment of invoices, the removal of information from computer records, dishonesty with tenders, e.g. making information known to certain suppliers so that they may submit the lowest tender, retaining credit notes for returned goods, purchasing larger amounts than needed, thus earning a kickback and knowingly purchasing products of poor, unusable quality.

The establishment of institutions and enactment of various laws and regulations was a welcome move towards ensuring compliance is attained in the public procurement system. Despite this efforts put in place there is an increased rate of non-compliance to ethical standards in public procurement in Kenya. A report by EACC, (2015) indicates that bribery in government procurement is estimated to be adding to 10%-20% of the total contract cost. According to EACC, (2017) the commission having over time developed and implemented mechanism to address the problem of corruption and unethical practices in both private and public sector, the vice continue to manifest prominently in public procurement that accounts for a half of complaints handled by the commission annually.

The recent incidents of increased non-compliance of ethical standards in public procurement in the country forced President Uhuru Kenyatta to commission a compulsory life audit report of all senior public officials and politicians and their families who hold different key position in public offices including procurement officials and accounting officers. Despite all these effort put in place there is increased rate of non-compliance. This has seen some governors and other county officials being investigated by different agencies on unethical practices in their procurement proceedings. In addition, some have been laid off from work and others debarred from accessing public offices as their cases are in court due to misuse of power. Under the national government and parastatals cabinet ministers, permanent secretaries, managing directors and chief executive officers are being investigated by different institutions on corruption and unethical practices in public procurement which has resulted to demotion while others their cases are in court. This is due to the fact that non-compliance of ethical standards is seen as one way of making quick money with very little effort involved (ESAAMLG, 2019).

### **Problem statement**

Effective compliance to procurement ethics is a major challenge facing many organizations around the globe (Edgar, 2006). This was revealed by Contract Monitoring Kenya Network (CMKN) (2012) which cited unethical practices as a major factor contributing towards inefficiencies in procurement in major public institutions in Kenya in return leading to squandering of public funds through fraud, favoritism and extravagance. The report by the office of the Auditor General, Parliamentary watchdog committees, EACC, Media and Civil society organizations involved in championing good governance reveals also that many public officers continue to involve in non-compliance to ethical standards in public procurement and other practices prejudicial to the efficiency of public institutions which directly affects the attainment of vision 2030 (EACC,2019).

The government over time having initiated various mechanism of ensuring compliance is achieved in the public procurement by formulating rules, regulations and establishing various institutions to enforce the rules and regulation formulated like; The EACC established with the mandate to combat and prevent corruption and economic crime in Kenya through law enforcement, preventive measures, public education and promotion of standards and practices of integrity, ethics and anti-corruption. The office of the Auditor General with the mandate of promoting good governance and accountability in the management of public resources through auditing public organization accounts. The PPARB with the mandate of hearing and determining tendering and asset disposal disputes. The PPRA with the mandate of monitoring, assessing and reviewing the public procurement and asset disposal proceedings. KISM with the mandate of promoting learning, development of best practices, and application of the same to the practice of procurement and



supply chain management profession. All these efforts and mechanism are put in place to ensure transparency, equity, competitiveness, value for money and cost effectiveness is achieved in public procurement thereby promoting compliance to ethical standards in public procurement.

Despite operationalize of this institutions and various rules, regulation and code of ethics in public procurement the rate of compliance to ethical standards in public procurement is unsatisfactory. Various research that have been undertaken reveals that the rate of non-compliance to ethical standards in public procurement is high. The Procurement audit report carried out revealed that there is non-compliance with procurement regulations in public entities. Procurement officers and persons involved in procurement activities use wrong methods leading to high procurement costs, poor quality purchases, late deliveries or no deliveries at all, (Office of Auditor General, 2018). According to the EACC survey report 2018 respondents who encountered non-compliance incidents increased marginally from 38.9% in 2017 to 41.8% in 2018 (EACC, 2018).

The increased number of cases received, heard and determined annually by Public Procurement Administrative Review Board (PPARB) on compliance issues is a worrying trend towards ensuring ethical standards in public procurement are adhered to. In the financial year 2017/2018 the review board received 616 cases relating to compliance issues in public procurement of which 433 were heard and determined. This undermines various efforts put in place towards ensuring compliance on ethical standards is achieved in public procurement, (PPARB, 2018).

According to PPARB decisions on compliance issues relating to public procuring entities and tenderers reveals that most procuring entities do not comply with stipulated laws and regulation. For instance compliance case decision no. 13 of 2021 between Five Blocks Enterprise Ltd and KEBS, indicates that the procuring entity, KEBS failed to comply with provision of the act and regulation in its procurement proceeding. Compliance case decision no. 21 and 22 of 2021 between SKAGA LTDON the Mark and KRA indicates that the procuring entity, KRA failed to award the contract to the lowest bidder thereby contravening the provision of the act, regulation and constitution of Kenya which advocates for fairness, cost effectiveness, value for money, competitiveness and transparency . Compliance case decision no.35 of 2021 between ULTRA LAB East Africa and KEMSA, reveals that the procuring entity failed to comply with the post qualification criteria stipulated in the tender document in compliance with PPADA and thereby resulting to unfairness in the award of tender. Compliance case decision no. 70 of 2020 between Prudential and KEMSA reveals that the procuring entity, KEMSA didn't comply with provision of the Act in it is evaluation and award of the tender, which resulted to unfairness in the process and not achieving value for money (PPRA, 2021).

A report by the EACC, 2015 indicates that politicians and senior civil servants contributes to non-compliance of ethical standards in public procurement as they influence the procurement procedures put in place by the procuring entities with gifts and threats thereby undermining compliance. Conflict of interest among those involved in the tendering proceeding affect the adherence of ethical standards as individuals seek to enrich themselves at the cost of tax payer's money. The little know how of regulations and code of ethics in public procurement by public officials involved in procurement proceedings contributes to non-compliance of ethical standards in public procurement as they aren't aware of what action to be undertaken under certain circumstances (EACC, 2015).

Non-compliance to ethical standards in public procurement has resulted to poor service delivery to citizens, and poor infrastructure which in return has affected the living standards of citizens as public funds are squandered and misallocated between few individuals who continue enriching themselves at the expense of tax payer's money. The incidents of non-compliance to ethical standards in public procurement in Kenya are mentioned in cases such as Forensic Lab for DCI Department, Kenya Ports Authority importation of tug boats and cranes, maize importation involving the National Cereals and Produce Board, National Health and Insurance Fund (NHIF), National Youth Service (NYS), the Arror and Kimwarer dams and KEMSA scandal involving the Covid 19 funds.

The high number of non-compliance practices reports involving public procurement in the country necessitated a research to be carried out to identify the main causes, loopholes and factors which affect compliance to ethical standards in public procurement despite of all the measures and efforts put in place by the government towards eradicating unethical practices in the country.

## **Objective of the study**

The general objective of the study was to investigate the factors affecting compliance to ethical standards in public procurement in Kenya. The specific objectives of the study were.

- To analyze the professionalism factors affecting compliance to ethical standards in public procurement in Kenya.
- To evaluate the social factors affecting compliance to ethical standards in public procurement in Kenya.
- To assess the personality factors affecting compliance to ethical standards in public procurement in Kenya.
- To examine the legal framework factors affecting compliance to ethical standards in public procurement in Kenya.
- To determine the work environment factors affecting compliance to ethical standards in public procurement in Kenya.

## **Research hypothesis**

**Ho<sub>1</sub>:** Professionalism factors have no significant influence on compliance to ethical standards in public procurement in Kenya.

**Ho<sub>2</sub>:** Social factors have no significant influence on compliance to ethical standards in public procurement in Kenya.

**Ho<sub>3</sub>:** Personal factors have no significant influence on compliance to ethical standards in public procurement in Kenya.

**Ho<sub>4</sub>:** Legal framework factors have no significant influence on compliance to ethical standards in public procurement in Kenya.

**Ho<sub>5</sub>:** Work environment factors have no significant influence on compliance to ethical standards in public procurement in Kenya.

## **Literature Review**

### **Behavioral model of ethical and unethical decision making**

According to Bommer et al 1987 a behavioral model of ethical and unethical decision making it is a model which explain how ethical and unethical decision making arises from an environmentally and individually conditioned decision making process. The model describes various environmental factors which affect ethical and unethical behavior in organizations, which are decision-maker's social environment, government and legal environment, work environment, professional environment and personal environment. The model links these environmental factors with ethical and unethical behavior via the mediating structure of the individual's decision-making process. The process is conceptualized as a central processing unit with its own internal characteristics such as the individual's cognitive style. The model also attempts to distinguish between the independent variables' perceived influence on the decision process and their actual influence (Torres, 1998)

The model shows how environmental factors affect the manager's ability to make ethical or unethical decisions depending on their actual and perceived influence in their decision making process. Under social environment managers are influenced by their religious, cultural, humanistic and societal values shared by the members of their society and in particular those values of that society's sub-groupings to which the manager belongs. Government and Legal environment involves laws which are values and morals of society that have the force of its formal authority. Managers believe, in order for laws to be effective, they must be enforced. Therefore, legislation administrative agencies and the judicial system become relevant factors in this environment

The professional environment of a manager is defined as the institutionalized professional context within which a manager practices. Institutionalization indicates the existence of professional associations, established licensing procedures and codes of conduct. The work environment strongly influence managers' decisions on whether to act ethically or unethically. These are corporate goals, stated policy, and corporate culture. Personal environment entails the family and peer groups who relate to the individuals personal life outside the organization

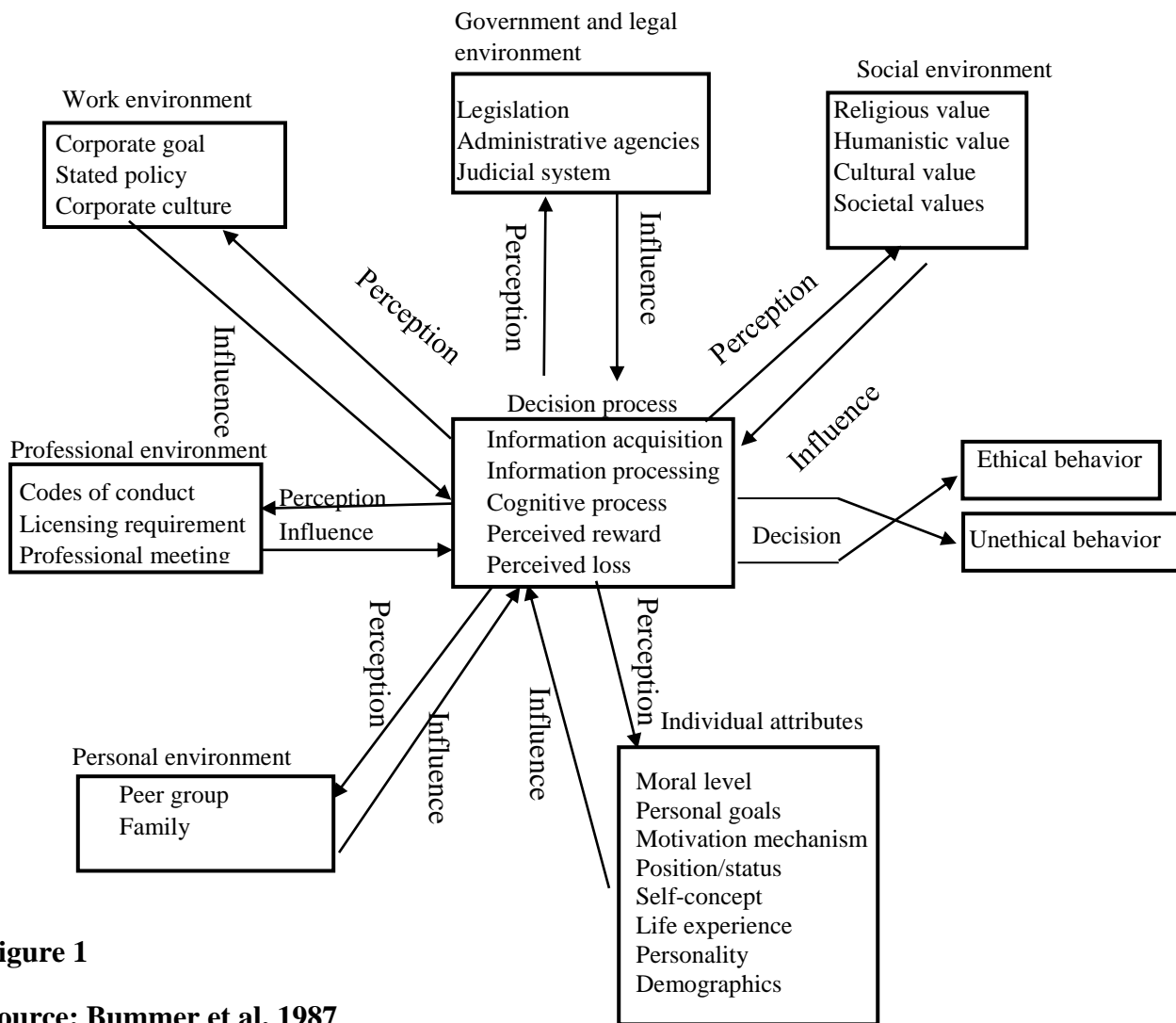


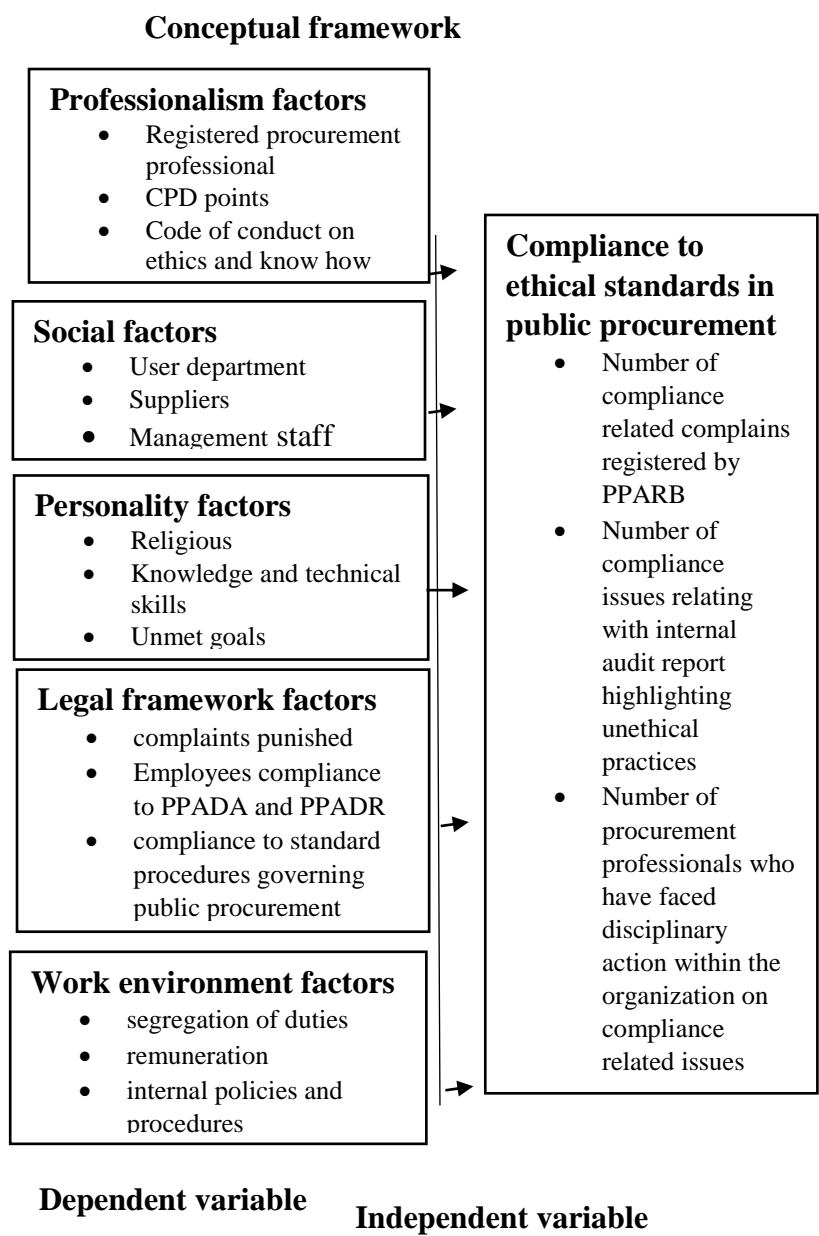
Figure 1

Source: Bummer et al, 1987

In this study work environment is used to explain how the environment surrounding the work place affect compliance to ethical standards in public procurement of employees either to behave ethically or unethically depending with the laid down rules, policies, and regulation in the organization and how they are used. Government and legal environment is used to explain how the enacted rules and regulation affect compliance to ethical standards in public procurement, depending on how agencies responsible for ensuring adherence to ethical standards in public procurement hear and determine non-compliance cases which makes procurement officials to either refrain from unethical practices or get involved in the unethical practices.

Professionalism environment is used to explain how regulated profession affect compliance to ethical standards in public procurement. The professionalism determines whether it is members will comply with ethical standards in public procurement or not depending on its set policies, rules, regulation and code of ethics that govern the profession. Social environment is used to explain how the internal social environment of the organization affect the procurement department in complying with ethical standards in public procurement. Personal environment is used to explain how individuals own needs and desires affect their compliance to ethical standards in public procurement. This factors makes procurement officials to behave ethically or unethically depending with how each factor is monitored and controlled, relaxation of one or more factors result to increased corruption and unethical practices in the public procurement sector. Contrary to the principles and policies of citizens by prioritizing there needs which results to corruption. The citizens requires transparency, equity, cost effectiveness, competitiveness, and value for money in all

procurement proceedings which is most often not the case in public procurement resulting to non-compliance of laid down rules, regulation, and code of ethics.



**Figure 2**

Source (Author, 2021)

**Empirical Review**

Organizations for Economic Cooperation and Development (2009), study posited that enhancing professionalism in public procurement requires not only management procedures but also a clear set of values and ethical standards clarifying how to achieve these objectives. According to Patrick, (2010) study the buyer should follow ethical principles in order to build his own reputation and that of his organization. He can purchase everything but cannot buy either reputation for reliability. He asserts that these two can be built by his professional ethics, moral character wisdom and integrity. Since the buyer controls the purse of his organization as a custodian, the management expects that he will be fair, honest and dignified in his dealings. He is expected to follow ethical approach to the problem of purchasing (Shu et al., 2011).

Ogachi (2011) conducted a research in Kenya about the procurement profession and indicated that the procurement professionals’ reward (pay) affected the extent to which they adhered to the ethical code of ethics. With better pay the public procurement professionals tended to observe the professional code of ethics (Ogachi, 2011).Nyeko & Kakwezi (2011) study underscores the importance of the procurement cycle



in fostering enhanced ethical standards in Africa. The study concluded that a good procurement cycle encouraged competition among suppliers, professionalism, good business ethics and non-discrimination in public procurement (Nyeko et al, 2011).

The Basheka et al (2010) Uganda research points at environmental variables as a significant factor with regard to the state of public procurement ethics: economic, political, organizational and social environment are statistically significant with regard to procurement corruption. The paper concludes that organizational environmental determinants are the major factors, which account for the increasing trends of procurement corruption (Basheka et al (2010).

The OECD (2007) Europe empirical research on public procurement echoes similar findings. It suggests that public sector environmental variables play a significant role in determining ethical standards and suggests the application of the four-eye principle as a remedial measure. The research also points to political influence as affecting the morality of public sector procurement (OECD, 2007). It suggests key conditions for protection from political influence: Clear ethical standards for procurement officials; an adequate institutional framework, budgetary autonomy, human resource management based on merit as well as working independence for procurement officials, where procurement officials are solely responsible for decisions (OECD, 2007).

Pillary (2004) argues that senior officials and political leaders use public office for private gain and this has weakened the motivation to remain honest. Raymond (2008) also opined that ministers and political parties receive clandestine payments in government procurement. This ultimately interferes with the procurement process and constrains compliance. This is also re-echoed by Lodhia & Burritt (2004), who recognizes that social and political influences have an important bearing on public sector reform .In developing countries; one of the major obstacles to the procurement system is ministerial interference with the tender process where ministers intervene and influence tender awards. The threat of being suspended or fired has in many cases intimidated public officers into obeying illegal ministerial directives leading to non-compliance (Akech, 2005). In support of this, Hui et al; (2011) asserted that interference from the local politicians, businesspersons, members of parliament and very influential top management individuals has interrupted the procurement processes and deterred transparency

Schweitzer et al., (2004) conducted an empirical research on ethical standards in the Danish public sector established that unethical standards are a factor caused by people with specific, unmet goals. The research covered all the 48 public corporations in the country. The Badenhorst (1994) research conducted in European public sector likewise pointed to individual factors as being significant in determining the ethical standards in the procurement profession. The empirical research conducted by Mlinga (2006) in Tanzania suggests that the ethical standards in public procurement is a factor of the technical and ethical skills of those involved in the whole public procurement process.

Ntayi et al (2010) conducted a research in Uganda to explain the causal factors for the unethical practices among public procurement officers in Uganda using the Bandura's moral disengagement variables and Durkheim's notion of anomie. The data was collected from both Central and Local Government. The study established that the interactive effect of moral disengagement and procurement planning behaviors diminishes the social construction of procurement officers' deviant behaviors.

Andvig & Fjeldstad (2010) conducted a research on public procurement ethics in the Less Developed Countries (LDCs) through the Norwegian Agency for Development Co-operation (NORAD) platform. The research established that the public procurement unethical behaviors manifest in terms of direct embezzlement of public funds and commit similar offences. Piff et al. (2012) carried out seven studies using experimental and naturalistic studies in the United States of America (USA) on the factors that affect ethical standards in the public sector. The studies revealed that upper-class individuals behave more unethically than lower-class individuals (Piff *et al*, 2012). In this sense, the unethical attitudes of the upper class breeds unethical behavior in the public sector procurement.

Wanyama, (2013) conducted a research on public procurement ethics in the Less Developed Countries (LDCs) through the Norwegian Agency for Development Co-operation (NORAD) platform. The research established that the public procurement unethical behaviors manifest in terms of direct conflict of interests. In this sense, the research established that the causes of unethical issues in public procurement. Hunja, (2011) carried out seven studies using experimental and naturalistic studies in the United States of America (USA) on the factors that affect ethical standards in the public sector. The studies revealed that upper-class

individuals behave more unethically than lower-class individuals (Jeppesen R., 2011). In this sense, the unethical attitudes of the upper class breeds unethical behavior in the public sector procurement

A number of empirical researches have been conducted that point to organizational culture as affecting ethical standards in public procurement. Basheka & Tumutegereize (2010) conducted a research on the public procurement ethical standards in Uganda. The empirical study found organizational culture as statistically significant with regard to the causes of public procurement corruption. The research concluded that organizational determinants are the major factors, which account for the increasing trends of procurement corruption (Basheka & Tumutegereize, 2010). The OECD empirical research conducted in European countries also point to organizational culture variables as affecting the state of ethical standards in public procurement (OECD, 2007). The research established that organizations with a culture of frequent public procurement audits tended to have higher ethical standards than those that don't (OECD, 2007).

The Badenhorst (1994) research showed that the actions of managers, the ethical climate in the enterprise and the absence of a company policy on the matter are all contributing factors towards unethical behavior in public procurement (Badenhorst, 1994).

Jonah & Edna conducted a research on factors affecting ethical standards in public procurement in Kenya. The empirical study found that an organizational culture that is deficient in frequent public audits leads to an environment of unethical behavior among the procurement management. The nature of the procurement cycle affects the ethical standards in an organization. A culture that encourages competition among suppliers, professionalism, good business ethics and non-discrimination in public procurement naturally stimulates ethical thinking and ethical decision-making among procurement managers. The get-rich quick culture undermines ethical decision-making in public procurement. Lack of proper documentation of procurement activities undermines transparency and the thrust for better ethical standards in public procurement (Jonah & Kiptoo, 2013).

### **Methodology**

This research problem was studied through the use of a descriptive research design. According to Cooper and Schindler (2003), Mugenda and Mugenda (2003) a descriptive study is concerned with finding out the what, where and how of a phenomenon. The study population of this research included 40 persons from Kenya Airport Authority which included procurement officers, internal auditors, project managers, and accountants. This study applied both qualitative and quantitative research approaches of data analysis and presentation. Pre-analysis process was undertaken where the completed questionnaires were edited for completeness and consistency before being processed. SPSS Version 27 and Microsoft Excel were used to conduct data analysis. The regression was calculated using the multi-nominal logistic regression model below;

$$f(\text{Pr}(Y_{ij} \leq y_{ij})) = \emptyset_j - (\beta_2 X_{i1} + \beta_2 X_{i2} + \beta_3 X_{i3} + \beta_4 X_{i4} + \beta_4 X_{i5})$$

Where:  $f()$  = Link function

$Y_{ij}$  = Cumulative probability of the  $j$ th category for the  $i$ th case

$\emptyset_j$  = Threshold for the  $j$ th category

$\beta_1 \dots \beta_4$  = regression coefficients

$X_{i1} - X_{i2}$  = values of predictors for the  $i$ th case

### **FINDINGS**

#### **Professionalism factors**

The study sought to analyze professionalism factors affecting compliance to ethical standards in public procurement in Kenya. A Likert scale of 0%-20%, 21%-40%, 41%- 60%, 61%- 80% and 81%- 100% was used. From the findings as shown in table 1, 50% of the respondents had the view that the percentage number of people working within procurement department who are registered by KISM are between 41%-60%, while 42% of the respondents had the view that they are between 21%-40% and 8% of the respondents

had the view that they are between 81%-100%. The finding implies that not all procurement professionals are registered by KISM. The study agrees with other scholars. Wanyama, (2013) indicates that procurement professionals ought to be registered by KISM in accordance with Suppliers Practitioner Management Act of 2007.

On continuous progress development 44% of the respondents had the view that procurement professionals who attend CPD programs obtains 41%-60% of the total points annually. 31% of the respondents had the view that they obtain between 21%-40% of the total points. 19% of the respondents had the view that procurement professionals obtain between 61%-80% of the total points annually and 6% of the respondents had the view that they obtain 81%-100% of the total points annually. These finding agrees with those of other scholars. Lack of training and capacity building among procurement professionals inhibit their capacity to perform their roles effectively and efficiently in public procurement proceedings (Mlinga, 2006) On procurement professionals who are trained on code of ethics and know how 53% of the respondents had the view that only 21%-40% of procurement professionals are trained on code of ethics and know how. 42% of the respondents had the view that they are between 41%-60% and 6% of the respondents had the view that they are between 0%-20%. These findings agreed with those of other scholars. Lack of sufficient knowledge, competencies, and skills affect procurement professionals in adhering to ethical standards in public procurement resulting to procurement professionals being involved in embezzlement of public funds (Geldeman et al., 2006).

**Table 1**

Statement	0%-20%	21%-40%	41%-60%	61%-80%	81%-100%	N	Mean	SD
Percentage number of people working within procurement department who are registered by the Kenya Institute of Supplies Management (KISM).	0%	42%	50%	8%	0%	36	2.667	0.633
Percentage number of continuous progress development points (CPD) procurement professionals who attend CPD programs offered by professional bodies attains annually.	0%	31%	44%	19%	6%	36	3.0	0.862
Percentage number of procurement professionals who are trained on code of conduct on ethics and know-how.	6%	53%	42%	0%	0%	36	2.361	0.593
Average							2.676	0.410

**Social factors**

The study sought to evaluate the social factors affecting compliance to ethical standards in public procurement in Kenya. A Likert scale of 0%-20%, 21%-40%, 41%- 60%, 61%- 80% and 81%- 100% was used. From the findings as shown in table 2, 42% of the respondents had the view that it is between 21%-40% of user departments who are aware of procurement rules, regulation and code of ethics in public procurement. While 31% of the respondents had the view that they are between 41%-60% of user departments who are aware of procurement rules and regulation. 17% of the respondents had the view that they are between 61%-80%, 8% of the respondents had the view that they are between 0%-20% and 3% of the respondents had the view that they are between 81%-100%. The study findings concurs with those of other studies. The pressure which the marketplace exerts on purchasing departments and on individual buyers make it essential that top management, purchasing and supply managers, buyers and all other members of the procurement system recognizes and understands both professional and ethical standards required in performance of their duties, (Ndolo & Njagi,2014).

On the percentage number of suppliers who are aware of procurement rules, regulation and code of ethics 53% of the respondents had the view that they are between 41%-60% of the suppliers, 25% of the

respondents had the view that they are between 21%-40% of the respondents, 19% of the respondents had the view that they are between 61%-80% and 3% of the respondents had the view that they are between 81%- 100%. The findings agrees with those of other scholars. Evetts, (2012) articulates that the manner in which the contract is managed will directly influence the procurement regulatory compliance.

On percentage number of management staff who are aware of procurement rules, regulation and code of ethics 56% of the respondents had the view that they are 41%-60%, 17% of the respondents believe they are between 61%-80%, 11% of the respondents had the view they are between 21%-40%, 11% of other respondents had the view they are between 81%-100% and 6% of respondents had the view they are between 0%-20. These study findings agrees with those of other scholars. Geldeman et al. (2006) states that among factors affecting compliance to ethical standards in public procurement is staffs awareness' level with public procurement rules, regulations and code of ethics put in place.

**Table 2**

Statement	0%-20%	21%-40%	41%-60%	61%-80%	81%-100%	N	Mean	SD
Percentage number of user departments who are aware of procurement rules, regulation and code of ethics in public procurement.	8%	42%	31%	17%	3%	36	2.639	0.961
Percentage number of suppliers who are aware of procurement rules, regulation, and code of ethics in public procurement.	0%	25%	53%	19%	3%	36	3	0.756
Percentage number of management staffs who are aware of procurement rules, regulation and code of ethics in public procurement	6%	11%	56%	17%	11%	36	3.167	0.971
AVERAGE							2.935	0.585

**Personality factors**

The study sought to assess the personality factors affecting compliance to ethical standards in public procurement in Kenya. A Likert scale of 0%-20%, 21%-40%, 41%- 60%, 61%- 80% and 81%- 100% was used. From the findings as shown in table 3, 53% of the respondents had the view that 61%- 80% of procurement professionals are the one who subscribe to a given religion, 31% of the respondents had the view that they are between 81%- 100%, 17% of the respondents had the view that they are between 41%-60% of the respondents . The study findings agrees with those of other scholars. Shariff & Norenzayan’s (2011) articulates that the religious beliefs influence the behavior and course of action of individuals. The individuals are more likely to behave in a moral or honest manner when they believe in fearsome and punishing supernatural agents.

61% of the respondents had the view that 41%-60% of procurement professionals are the one with sufficient knowledge and technical skills in public procurement, 28% of the respondents had the view that they are between 21%-40%, 8% of the respondents had the view that they are between 61%-80% while 3% of the respondents had the view that they are between 81%-100%. These findings agrees with those of other scholars. The little know how of regulations and code of ethics in public procurement by public officials involved in procurement proceedings contributes to non-compliance of ethical standards in public procurement as they don’t know what action to be undertaken under various circumstances (EACC, 2015).

67% of the respondents had the view that 41%-60% of procurement professionals are influenced by unmet goals in their procurement proceedings while 25% of the respondents had the view that 61%-80% of procurement professionals are influenced by unmet goals, and 8% of the respondents had the view that they are between 81%-100%. These finding agrees with those of other scholars. The rate at which unmet goals encourage unethical practices in public procurement is low as compared to other factors like political pressure, and conflict of interest which exerts pressure on procurement professionals (Odole, 2018)

**Table 3**

Statement	0%-20%	21%-40%	41%-60%	61%-80%	81%-100%	N	Mean	SD
Percentage number of procurement professionals who subscribes to a given religion.	0%	0%	17%	53%	31%	36	4.739	0.683
Percentage number of procurement professionals with sufficient knowledge and technical skills in public procurement proceedings	0%	28%	61%	8%	3%	36	2.806	0.683
Frequency to which unmet goals influences the procurement professionals in public procurement.	0%	0%	67%	25%	8%	36	3.417	0.649
<b>AVERAGE</b>							3.472	0.439

**Legal framework factors**

The research sought to examine the legal framework factors affecting compliance to ethical standards in public procurement in Kenya. A Likert scale of 0%-20%, 21%-40%, 41%- 60%, 61%- 80% and 81%- 100% was used. From the findings as shown in table 4, 44% of the respondents had the view that the complaints punished by administrative bodies and judiciary once realized in public procurement are within 21%- 40%, 36% of the respondents had the view that they are within 41%-60%, 17% of the respondents had the view that they are within 0%-20% and 3% of the respondents had the view that they are between 61%-80%. These finding agrees with those of Public Procurement and Oversight Authority (PPOA, 2007) non-compliance to ethical standards in public procurement involves non-enforcement of law, lack of transparency and accountability, breakdown or erosion of values and norms, weak management systems, procedures and practices, lack of professional integrity, greed and abuse of discretionary power

On the number of employees who are compliant with PPADA and PPADR in their public procurement proceedings, 44% of the respondents had the view that they are between 41%-60%, 31% of the respondents had the view that they are between 21%-40%, 22% of the respondents had the view that they are between 61%-80%, and 3% of the respondents had the view that they are between 81%-100%. These study agrees with the study of other scholars. One of the factor cause of non – compliance with procurement regulations is the level of familiarity with the procurement regulations by municipality officials (Gelderman et al., 2006).

61% of the respondents had the view that it is between 41%-60% of public organization which are compliant with standard procedures governing procurement proceedings, 31% of the respondents had the view that they are between 21%-100%, 22% of the respondents had the view that they are between 81%-100%. The results concur with the reports released by Public Procurement Regulatory Authority (PPRA) on the list of public organizations which are compliant with public procurement rules, regulation and code of ethics in their public procurement proceedings (PPRA, 2020).

**Table 4**

Statement	0%-20%	21%-40%	41%-60%	61%-80%	81%-100%	N	Mean	SD
Percentage number of complaints punished by administrative bodies and judiciary, once realized in public procurement.	17%	44%	36%	3%	0%	36	2.25	0.770
Percentage number of employees who are compliant with PPADA and PPADR in their public procurement proceedings	0%	31%	44%	22%	3%	36	2.972	0.810



Percentage number of compliances to standard procedures governing procurement proceedings by public organizations.	0 %	17 %	61 %	22 %	0 %	36	3.056	0.630
AVERAGE							2.759	0.482

### Work environment factors

The study sought to determine the work environment factors affecting compliance to ethical standards in public procurement in Kenya. A Likert scale of 0%-20%, 21%-40%, 41%- 60%, 61%- 80% and 81%- 100% was used. From the findings as shown in table 5, on the frequency to which segregation is carried out in public procurement, 42% of the respondents had the view that it is between 41%-60%, 25% of the respondents had the view it is between 61%-80%, 17% of the respondents had the view that it is between 81%-100% and 17% of other respondents had the view it is between 21%-40%. The study agrees with other scholars. The infrequent procurement audit and segregation of duties in public procurement hampers the efforts put in place to ensure purity is achieved in public procurement (Jonah & Kiptoo, 2013)

47% of the respondents had the view that procurement professionals and other public officials earns between 41%-60%, 47% of other respondents had the view that it is between 61%-80%, 8% had the view it is between 21%-40% and 6% had the view that it is between 81%-100. These findings agree with those of other scholars. Procurement professionals' reward (pay) affect the extent to which they adhere to the code of ethics in public procurement, with a better pay they intend to observe the professional code of ethics (Ogachi, 2011).

47% of the respondents had the view that the rate to which internal policies and procedures are followed within the organization is between 41%-60%, 33% of the respondents had the view that it is between 21%-40%, 11% of the respondents had the view that it is between 61%-80% and 8% of the respondents had the view that it is between 81%-100%. The finding of these study agrees with those of other scholars. The actions of managers, the ethical climate in the enterprise and the absence of company policy on the matter are all contributing factors towards unethical behavior in public procurement.

**Table 5**

Statement	0%-20%	21%-40%	41%-60%	61%-80%	81%-100%	N	Mean	SD
The frequency to which segregation of duties is carried out in public procurement	0%	17 %	42 %	25 %	17 %	36	3.417	0.967
Percentage remuneration procurement professionals and other public officials earn.	0%	0%	47 %	47 %	6%	36	3.583	0.604
The frequency with which internal policies and procedures are followed within the organization.	0%	33 %	47 %	11 %	8%	36	2.944	0.893
AVERAGE							3.315	0.429

### Compliance to ethical standards in public procurement

The general objective of the study was to investigate the factors affecting compliance to ethical standards in public procurement in Kenya. The indicator under this study was computed to help describe and understand the dependent variable. A Likert scale of 0%-20%, 21%-40%, 41%- 60%, 61%- 80% and 81%- 100% was used. From the findings as shown in table 6, 61% of the respondents had the view that the frequency to which unethical practices happens in public procurement is between 61%-80%, 28% of the respondents had the view it is between 41%-60%, 8% had the view that it is between 21%-40% and 3% had the view that it is between 81%-100%. From the finding it is clear that the rate of unethical practices in public procurement is high. The finding correspond with those of other scholars and institutions. The report by the office of the Auditor General, Parliamentary watchdog committees, EACC, Media and Civil society organizations involved in championing good governance reveals that many public officers continue to involve in non-

compliance to ethical standards in public procurement and other practices prejudicial to the efficiency of public institutions which directly affects the attainment of vision 2030 (EACC,2019).

On the number of internal audit reports that have highlighted unethical issues in the past 2-3 financial years, 81% of the respondents had the view that it is between 41%-60%, 19% of the respondents had the view that it is between 61%-80%.

On the number of complaints registered by the Public Procurement Administrative Review Board (PPARB) concerning public organizations, 50% of the respondents had the view that it is between 41%-60% of the respondents, 34% of the respondents had the view that it is between 61%-80%, 8% of the respondents had the view that it is between 81%-100% and also 8% of other respondents had the view that it is between 0%-20%. This finding concurs with the report by Public Procurement Administrative Review Board on the number of complaints they register concerning public organization on non-compliance to Public Procurement and Asset Disposal Act of 2015 (PPARB, 2018)

On the number of procurement professionals who have faced disciplinary action within public organizations, 56% of the respondents had the view that they are between 41%-60%, 30% of the respondents had the view that they are between 21%-40% and 14% of the respondents had the view that they are between 0%-20%.

On the number of external auditor's reports that have highlighted unethical issues in the past financial years in public procurement, 72% of the respondents had the view that it is between 41%- 60%, 20% of the respondents had the view that it is between 21%-40%, 8% had the view that it is between 61%-80%. These finding agrees with the report of the Auditor General. The Procurement audit report carried out revealed that there is non-compliance with procurement regulations in public entities. Procurement officers and persons involved in procurement activities use wrong methods leading to high procurement costs, poor quality purchases, late deliveries or no deliveries at all, (Office of Auditor General, 2018)

On the number of tenders advertised by public organizations in proportion to the number of cases of these tenders that have gone to court in the past, 61% of the respondents had the view that it is between 41%-60%, 22% of respondents also had the view that it is between 61%-100%, 17% of the respondents had the view that it is between 21%-40%

**Table 6**

Statement	0%-20%	21%-40%	41%-60%	61%-80%	81%-100%	N	Mean	SD
The frequency of unethical practices in public organizations	0%	8%	28%	61%	3%	36	3.583	0.692
Percentage number of internal audit reports that have highlighted unethical issues in the past 2-3 financial years	0%	0%	81%	19%	0%	36	2.806	0.401
Percentage number of complaints registered by the Public Procurement Administrative Review Board (PPARB) concerning public organizations	0%	8%	50%	34%	8%	36	3.417	0.770
Percentage number of procurement professionals who have faced disciplinary action within public organizations	14%	30%	56%	0%	0%	36	2.417	0.714
Percentage number of external auditor's reports that have highlighted unethical issues in the past financial years in public procurement	0%	20%	72%	8%	0%	36	2.889	0.523
Percentage number of tenders advertised by public organizations in proportion to the number of cases of these tenders that	0%	17%	61%	22%	0%	36	3.056	0.630

have gone to court in the past								
AVERAGE							3.028	0.257

### Regression analysis

The study used multiple regression analysis to determine the statistical relationship between the independent variable and dependent variables of the study. The five null hypothesis of the study were tested using multinomial regression models. Chi-Square was used to test the validity of the model, while Pseudo R square was meant to measure the model's goodness of fit. The likelihood ratio test was used to describe the results of regression analysis and outline the nature and intensity of the relationships between the variables under study.

**Table 7**

Model Fitting Information				
	Model Fitting Criteria	Likelihood Ratio Tests		
Model	-2 Log Likelihood	Chi-Square	Df	Sig.
Intercept Only	128.619			
Final	84.209	44.411	30	.044

The model fitting information gives the results of the nominal regression model. From the results of the model the intercept only is 128.691. The chi-square statistics is 44.411 and it is significant at 0.044, because the significance of the model is less than 0.05 ( $0.044 < 0.05$ ); Therefore, there is a significant relationship between the independent variables and the dependent variable.

**Table 8**

Goodness-of-Fit			
	Chi-Square	Df	Sig.
Pearson	131.762	180	.997
Deviance	84.209	180	1.000

Goodness of fit shows the results for the test of consistency between the observed data and the fitted model. The null hypothesis is stated as the observed data is consistent with the estimated values in the model fitted. The null hypothesis was accepted and it was concluded that the observed data was consistent with the estimated values in the fitted model since the p-values were insignificant (p-values (0.997 and 1.000)).

**Table 9**

Pseudo R-Square	
Cox and Snell	.709
Nagelkerke	.729
McFadden	.345

The Pseudo R-squared results show that the independent variables have strong predictive value for the model. The likelihood value for Cox & Snell's Pseudo R squared is .709, the likelihood value for Nagelkerke is .729 while the McFadden likelihood value is .345. This implies that the five factors can be used to predict the value for compliance to ethical standards in public procurement in Kenya.

**Table 10**

Likelihood Ratio Tests				
	Model Fitting Criteria	Likelihood Ratio Tests		
Effect	-2 Log Likelihood of Reduced Model	Chi-Square	Df	Sig.
Intercept	100.514	16.305	6	.012

Professionalism	95.705	11.496	6	.050
Social	93.991	9.782	6	.134
Personal	85.739	1.530	6	.957
Legal framework	97.176	12.967	6	.044
Work environment	98.185	13.976	6	.030

From the likelihood ratio test there is a significant relationship between legal framework factors and compliance to ethical standards in public procurement  $0.044 < 0.050$ . Work environment factors have significant relationship with compliance to ethical standards in public procurement  $0.030 < 0.05$ . Professionalism factors have significant relationship with compliance to ethical standards in public procurement  $0.050 < 0.05$ . Social factors have insignificant relationship with compliance to ethical standards in public procurement  $0.134 > 0.05$ . Personal factors have insignificant relationship with compliance to ethical standards in public procurement  $0.957 > 0.05$ .

**Table 11**

**Summary of Research Objectives and Hypothesis Tested**

S/NO	Objective	Hypothesis tested	p-value	Remarks
1.)	To analyze the professionalism factors affecting compliance to ethical standards in public procurement in Kenya	Professionalism factors have no significant influence on compliance to ethical standards in public procurement in Kenya.	P=0.050	Reject null hypothesis
2.)	To evaluate the social factors affecting compliance to ethical standards in public procurement in Kenya.	Social factors have no significant influence on compliance to ethical standards in public procurement in Kenya.	P=0.134	Fail to reject null hypothesis
3.)	To assess the personality factors affecting compliance to ethical standards in public procurement in Kenya.	Personal factors have no significant influence on compliance to ethical standards in public procurement in Kenya.	P=0.957	Fail to reject null hypothesis
4.)	To examine the legal framework factors affecting compliance to ethical standards in public procurement in Kenya.	Legal framework factors have no significant influence on compliance to ethical standards in public procurement in Kenya.	P=0.044	Reject null hypothesis
5.)	To determine the work environment factors affecting compliance to ethical standards in public procurement in Kenya.	Work environment factors have no significant influence on compliance to ethical standards in public procurement in Kenya.	P=0.030	Reject null hypothesis

**DISCUSSION**

**Professionalism factors**

From the findings majority of the respondents had the view that there are few number of procurement professionals who are working within procurement departments that are registered by KISM. This implies that majority of people working within procurement department are not registered by professional body that is KISM and therefore their actions and behaviors in public procurement are not regulated in accordance with Suppliers Practitioner Management Act of 2007. This inhibits the efforts put in place by the institution in ensuring compliance to ethical standards in public procurement is achieved.

From the finding the respondents had the view that procurement professionals who attend CPD programs annually do not attain the desired points, as different individuals attain different points from one another

depending with their seniority and the type of organization an individual works for. Therefore, it is clear that the CPD point's procurement professionals attains annually varies from one individual to another. This results to imbalanced capacity development and training among procurement professionals which in return affect their effective performance in public procurement proceedings.

From the finding majority of the respondents had the view that the number of procurement professionals who are trained on code of ethics and know how is small as compared to the number of procurement professionals who are not trained. This shows that majority of procurement professionals are not trained on code of ethics and know how in public procurement. This therefore, affect their capacity, capability and competence to effectively perform their duties according with the PPADA of 2015, PPADR of 2020 and Financial Management Act of 2019.

From inferential statistics professionalism factors have no significant influence on compliance to ethical standards in public procurement in Kenya,  $P < 0.05$  therefore the study reject the null hypothesis. This implication shows that professionalism factors affect compliance to ethical standards in public procurement.

#### **Social factors**

From the finding the respondents had the view that majority of user departments are not aware of procurement rules, regulation and code of ethics in public procurement. This affect their ability to comply with the stipulated rules and regulation governing public procurement. This finding portrays the picture of non-compliance to ethical standards experienced in public organization.

From the finding majority of the respondents had the view that large number of suppliers are not aware of procurement rules, regulation and code of ethics in public procurement. This results to inefficiency in procurement proceedings as the procurement professionals expect the suppliers to comply with stipulated rules, regulation and code of ethics in procurement proceedings which is not the case. Thereby hampering the quality of goods and services delivered, difficult implementation of contracts and complying with the law.

From the finding the respondents had the view that not all management staffs are aware of procurement rules, regulation and code of ethics in public procurement. This articulates the reason behind non-compliance to ethical standards in public organizations.

From the inferential statistics social factors have no significant influence on compliance to ethical standards in public procurement in Kenya,  $P > 0.05$  therefore the study failed to reject the null hypothesis. This implication shows that social factors do not affect compliance to ethical standards in public procurement.

#### **Personality factors**

From the finding majority of the respondents had the view that most procurement professionals subscribes to a given religion. Therefore their religious beliefs of upholding integrity and moral standards in whatever they do, contribute to compliance of ethical standards in public procurement.

From the finding majority of the respondents had the view that few number of procurement professionals have sufficient knowledge and skills in public procurement proceedings. This shows that majority of procurement professionals do not possess the relevant skills, knowledge and competencies required to hold procurement department offices and advice chief executive officers on the course of action to be taken in public procurement proceedings. This explains the reason why there is increased noncompliance to ethical standards in public procurement despite of effective measures and policies undertaken to cap the challenge.

From the finding the respondents had the view that unmet goals influence procurement professionals to a small extent in public procurement proceedings.

From the inferential statistics personal factors have no significant influence on compliance to ethical standards in public procurement in Kenya,  $P > 0.05$  the study failed to reject the hypothesis. This implies that personal factors do not affect compliance to ethical standards in public procurement

#### **Legal framework factors**

From the finding majority of the respondents had the view that the number of complaints which are punished by administrative bodies and judiciary once realized in public procurement is small. The finding reveals that administrative bodies and judiciary do not administer sanctions on complaints raised concerning non-compliance to ethical standards in public procurement. This provide the logic behind increased non-compliance to ethical standards in public procurement as individual are aware of nothing happens once



persecuted in court or taken to administrative bodies for sanctions. This hinders the efforts that have been put in place to eradicate corruption and unethical practices in public procurement.

From the finding majority of the respondents had the view that few number of employees are compliant with PPADA and PPADR in their procurement proceedings. Therefore majority of employees do not comply with PPADA and PPADR in their procurement proceedings thereby hindering effective implementation of compliance to ethical standards in public procurement due to insufficient knowledge and familiarity with public procurement rules, regulation and code of ethics in public procurement.

From the study majority of the respondents had the view that many public organization do not comply with stipulated standard procedures governing public procurement proceedings.

From the inferential statistics legal framework factors have no significant influence on compliance to ethical standards in public procurement in Kenya,  $P < 0.05$  therefore the study rejected the null hypothesis. This gives the implication that legal framework factors contributes to non-compliance to ethical standards in public procurement.

### **Work environment factors**

From the finding the respondents had the view that segregation of duties is not carried out in public procurement regularly. This reveals that the rate at which segregation of duties is carried out in public procurement is inconsistent with the requirement stipulated in the PPADA and PPADR, which stipulates that there need to be segregation of duties in all public procurement proceedings.

From the finding the respondents had the few that procurement professionals and public officials earn unevenly. This contributes to noncompliance to ethical standards in public procurement as low earning officials takes the opportunity of loopholes in public procurement to enrich themselves.

From the finding majority of the respondents had the view that internal policies and procedures are not followed regularly within public organizations. This inhibit the ability of public organization to adhere to public procurement rules and regulation.

Work environment factors have no significant influence on compliance to ethical standards in public procurement in Kenya,  $P < 0.05$  therefore the study rejected the null hypothesis. This gives the implication that work environment factors contributes to non-compliance to ethical standards in public procurement.

### **CONCLUSION**

The study found out that legal framework factors were statistically significant to compliance to ethical standards in public procurement. This implies that a unit increase in legal framework factors will lead to improvement in compliance to ethical standards in public procurement. The study concludes that the main cause of non-compliance to ethical standards in public procurement in Kenya is due to non-enforcement of sanctions by administrative bodies and judiciary once complaints of unethical practices in public procurement are forwarded to them. This result to increased number of employees who are not compliant with PPADA and PPADR in their public proceedings and increased number of public organizations which are not compliant with standard procedures governing public procurement in Kenya.

The study found that there is a significant relationship between work environment and compliance to ethical standards in public procurement. Therefore a unit increase in work environment will result to a unit increase in compliance to ethical standards in public procurement. The study concludes that inconsistent segregation of duties, poor remuneration and non-adherence to internal policies, rules and procedures within the organization causes non-compliance to ethical standards in public procurement. Inability to follow organization policies causes a great threat to adhere to external guidelines and rules.

The study found that there is a statistical significance relationship between professionalism factors and compliance to ethical standards in public procurement. Therefore a unit increase in professionalism factors will result to a unit increase in compliance to ethical standards in public procurement. The study concludes that the few number of procurement professionals registered by KISM, the minimal CPD points procurement professionals attains annually and the few number of procurement professionals trained on code of ethics and know how affect the capacity of public organization to comply with ethical standards in public procurement, as the major players don't possess the sufficient capacities and competencies required to ensure compliance is attained in public organization.

The study found that there is non-significant relationship between personal factors and compliance to ethical standards in public procurement. Therefore personal factors are not among the major factors affecting compliance to ethical standards in public procurement. The study concludes that personal factors need to be

taken into consideration as a mean of ensuring compliance to ethical standards in public procurement is achieved.

The study found that there is non-significant relationship between social factors and compliance to ethical standards in public procurement. The study concludes that proper training of suppliers, user departments and management staff on procurement rules, regulation and code of ethics will result to improved compliance to ethical standards in public procurement.

### **Recommendations**

The study recommends that administrative bodies and judiciary should enforce sanctions to people and public organization who do not comply with stipulated rules and regulation in public procurement; In order to stimulate and enhance adherence to ethical standards, rules, and regulations in public procurement proceedings. The study recommends also to be a continuous appraisal of public organization and employees on their compliance to ethical standards in public procurement.

The study recommends that organization need to ensure strict adherence of internal policies and procedures within public organization in order to promote and support compliance to ethical standards in public procurement. The study recommends frequency segregation of duties within public procurement and public organization in order to promote transparency and accountability in public organization. The study also recommends good pay of remuneration to employees in order to avoid conflict of interest.

The study recommends that public organization should ensure that their procurement employees are registered and licensed by KISM in order to assist the professional body to regulate the behaviors and actions of procurement official's country wide, so as to ensure compliance to ethical standards in public procurement is achieved. The study recommends that public organization should invest in continuous progress development of their employees in order to improve their knowledge and skills on emerging issues and threats in public procurement proceedings.

The study recommends that procurement professionals should invest their time and resources in improving their knowledge and skills in procurement and supply environment in order to adapt to changes in public procurement environment.

The study recommends that public organization should invest in training the user departments and management staff in public procurement rules and regulation and code of ethics in order to ensure violation of rules, regulation and code of ethics in public procurement is eradicated. The study also recommends that a policy should be developed requiring all suppliers applying for tenders to be aware and understand procurement rules, regulation and code of ethics, as one of the eligibility criteria for one to apply for tenders to minimize non-compliance to ethical standards in public procurement.

### **Suggestions for further research**

This study focused on factors affecting compliance to ethical standards in public procurement in Kenya. A similar study should be carried out in future to look at other factors rather than the one studied on this study on factors affecting compliance to ethical standards in public procurement in Kenya as the current study didn't exhaust all the factors.

The study recommends future research to be carried out on factors affecting effective adoption of Public Procurement and Asset Disposal Regulation by public organization in Kenya. This study didn't focus on issues raised pertaining to the challenges in effective adoption of PPADR.

The study recommends future research to be carried out to look at the impacts of effective compliance to ethical standards in public procurement in Kenya. In order to explore the pros that will result from adopting effective compliance to ethical standards not only to public organization but to citizens at large

### **References**

1. Agaba, E. & Shipman, N. (2009). "Procurement System in Uganda". *International Handbook of Public Procurement*, pp 394-406.
2. Andrew, M. (2008). Procurement Reforms in Kenya. *Journal of Economics*, 22(1), 23-50.
3. Andvig, J.C. & Fjeldstad, O.H. (2010). *Research on Corruption a policy oriented survey*. NORAD.
4. Badenhorst, J.A. (1994). Unethical Behaviour in Procurement. *Journal of Business Ethics*, 13, 739-745.

5. Basheka, B.C. & Tumutegereize, M. (2010). *Determinants of Public Procurement Corruption in Uganda: A conceptual Framework*. Retrieved from [www.google.com](http://www.google.com)
6. Bommer, M., Gratto C., Gravander J., & Tuttle M. (1987). A Behavioral Model of Ethical and Unethical Decision Making. *Journal of Business Ethics*, 6, 265-280.
7. CMKN. (2012). *Procurement Ethics in Public Sector*. Retrieved from <http://safariafricaradio.com>
8. Cooper, D.R & Schinder, P.S. (2003). *Business Research Methods*. New York: Mc Cousin .
9. Cooper, D.R & Schindler, P.S. (2012). *Business Research Methods*. New York: Mc Cousins.
10. Cresswell, J. (2003). *Research Design: Qualitative and Quantitative & Mixed Approach (2nd edition)*. Thousands Oaks: Sago Publications.
11. Davies, J. (2010). Parliamentarians and Corruption in Africa: The Challenge of Leadership and the Practice of Politics. *The African Parliamentarians Network Against Corruption (APNAC)*. Canada.
12. EACC. (2015). *An Evaluation of Corruption in Public Procurement: A Kenyan Experience*. Retrieved from <http://eacc.go.ke>
13. EACC. (2017). *National Ethics and corruption Survey, 2017: EACC Research Report No. 6 of May 2018*. Retrieved from <http://www.eacc.go.ke>
14. EACC. (2018). *National Ethics and Corruption Survey, 2018: EACC Research Report No.9 of 2019*. Retrieved from [www.eacc.go.ke](http://www.eacc.go.ke)
15. Edward, B. (2009). Public Sector Procurement Methods. *Journal of Procurement*, 11(1), 65-78.
16. ESAAMLG. (2019). *Procurement Corruption in the Public Sector and Associated Money Laundering in the ESAAMLG Region*. Retrieved from ESAAMLG, Dar es Salam: <http://www.esaamlg>
17. Eyaa, S., Oluka, N. (2011). Explaining Non-Compliance in Public Procurement in Uganda. *International Journal of Business and Social Science*, Vol. 2 No11, Special Issue.
18. Gelderman, Ghijssen, P.W., & Brugman, M.J. (2006). Public procurement and EU tendering directives –explaining non-compliance. *International Journal of Public Sector Management*, 19(7), 702-714.
19. Griffiths. (2009). *Research Methods for Health Care Practices*. New York: Publications Ltd.
20. Hunja, R. (2011). Obstacles to public procurement reforms in developing Countries. *International Journal*, Vol.10 No. 2, pp167-170.
21. Jeppesen R. (2011). Accountability in public procurement transparency and the role of civil society. *United Nations Procurement Capacity Development Centre*, Vol 6. No. 3 pp. 126-135.
22. Jonah K. & Edna J.Kiptoo. (2013). Factors Affecting Ethical Standards in Public Procurement in Kenya. *International Journal of Management Science*, Vol. 1, No. 3, 2013, 90-99.
23. KISM. (2008). *Procurement and Supply in Kenya: The Market for Small and Medium Enterprises*. Nairobi: ECI Africa.
24. Kombo, K & Tromp, A. (2010). *Proposal and Thesis Writing*. Nairobi: Pauline Publishers house.
25. Kothari, C.R & Garg, G. (2014). *Research Methodology: methods and techniques*. New Delhi: New Age International Publishers.
26. Mlinga, R.S. (2006). *Ethics in Public Procurement: A Missing Link in the Education and Training of Construction Industry Practitioners*. Retrieved from [www.google.com](http://www.google.com)
27. Mugenda O.M & Mugenda. (2003). *Research Methods: Quantitative and qualitative approach*. Nairobi: Acts Press.
28. Mwangi, P.N. (2017). *Determinants of compliance with access to government procurement opportunities regulations for special groups by public universities in Kenya*. PHD Thesis, Jomo Kenyatta University of Agriculture and Technology .
29. National Council of Law Reporting . (2010). *The Constitution of Kenya*. Retrieved from [www.kenyalaw.org](http://www.kenyalaw.org).
30. Neko, S. & Kakwezi, P. (2011). *Procurement Processes and Performance : Efficiency And Effectiveness of The Procurement System Function*. Retrieved from [www.google.com](http://www.google.com)
31. Ntayi, J.M., Eyaa, S. & Ngoma, M. (2010). Moral Disengagement and the Social Construction of Procurement Officers' Deviant Behaviours. *Journal of Management Policy and Practice*, vol.11 (4) 2010 95.
32. OECD. (2007). *Integrity in Public Procurement*. Massachusetts: OECD Publishing.

33. OECD. (2009). *"Integrity in Public Procurement: Good practices from A to Z"*. Paris France Efficiency: Accountability and Transparency in Public Procurement 1291.
34. OECD. (2015). *Compendium of good practices on the publication and reuse of open data for Anti-corruption across G20 countries: Towards data-driven public sector integrity and civic auditing*. Paris: OECD.
35. OECD. (2018). *Public Procurement*. Paris: OECD.
36. Ogachi, J.F. (2011). *The Status of the Procurement Profession in Kenya: Baseline Indicators 2011*. Nairobi: Centre Advanced Procurement Studies.
37. Onchweri, N & Muturi W. (2021, February 10). *Determinants of Compliance in Public Procurement Regulations in the Public Sector*. Retrieved from International Journal of Economics, Commerce and Management United Kingdom: [http://ijecm.co.uk/issn 2348 0386](http://ijecm.co.uk/issn%202348%200386)
38. Oso, W.Y & Onen, P. (2005). *A general guide to writing research proposal and reports. A hand book for beginning researchers (2nd edition)*. Kampala: Makerere University Press.
39. Palmer, R.D. & Butt, A.H. (2005). *Value for Money in the Public Sector, The Decision Makers Guide*. Basil Blackwell, Ltd, Oxford.
40. Piff, P.K, Stancato, D.M., Mendoza-Denton, R. & Keltner, D. (2012). Higher Social Class Predicts Increased Unethical Behaviour. *PNS Early Edition*, 1-6.
41. Public Procurement Oversight Authority. (2007). *Assessment of Procurement System in Kenya*. Nairobi: PPOA.
42. Raymond & Jeneatte. (2008). Bench Marking in Public Procurement. *An International Journal*, 15 (6), pp782-793.
43. Saunders, M. Lewis P. & Thornhill. (2015). *Research Methods for Business Studies (11th edition)*. New York: Harlow Person.
44. Schweitzer, M.E., Ordenez, S. & Douma, B. (2004). Motivator of Unethical Behaviour. *Academy of Management Journal*, Vol. 17, No. 3, 422-432.
45. Shu, H.W., Othman R., Omar H., N., Abdul R., R., & Husna, H., N. (2011). Procurement Issues in Malaysia. *International Journal of Public Sector Management*, 24 (6). pp567-593.
46. Trevino, L.K. (1986). Ethical Decision Making in Organizations: A Person-Situation Interactionist Model. *The Academy of Management Review*, 11 (3), 601-617.
47. Wanyama, J. (2013). The effectiveness of the Procurement Regulation in Kenya. *Pr Academics Press*, pp19(5), 421-433.
48. World Bank. (2010). *"Use of country Procurement systems: Second Progress Report"*. Washington.
49. Zikmund, W.G., Babin, B.J.C & Griffin, M. (2013). *Business Research Methods (9th edition)*. South Western : Cengage Learning.